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HUNGARY'S FIVE-YEAR PLAN

The Central Directorate of the Hungarian People's Party (Communist Party) discussed and accepted the Five-Year Plan proposed by the Hungarian Independence Front.

Results of the Three-Year Plan

The Three-Year Plan will be realized by the end of 1949, 7 months ahead of schedule. This requires the formation of a new plan.

The objective of the Three-Year Plan was to restore and rebuild that part of Hungarian economy which was destroyed during the war. This goal was accomplished and the groundwork was laid for development of our economy. New shops were built for Ganz Villamosagi Gyar (Ganz Electrical Plant), Ganz Vagon (Ganz Car-Building Plant) and Ganz Hajó Gyar (Ganz Shipyard). The Peti Nitrogen-üzem (Peti Nitrogen Plant), the Matravideki Erőmű (Matravidek Power Plant), and the Allami Pámfutó (State Cotton Spinning Factory) were built. New connecting highways were built and new rural areas were electrified.

The industrial, mining, and metallurgical production estimate for the third year of the Three-Year Plan was 18,700,000,000 forints. Indications are that by 31 December 1949 it will approach 19 billion forints. In the heavy and machine industries planned production will have been far exceeded, but in light industry there will be somewhat of a lag. In agriculture, planned production will be attained by mid-1949. The standard-of-living improvement estimates have already been exceeded.

Three years ago, almost all industry, mines, and metallurgy were controlled by capitalists. Today, the state controls 87 percent. Banking and foreign trade are now completely rationalized, and the state now conducts 75 percent of wholesale and 20 percent of retail trade.

By the end of 1949, there will be 200 state farm machine stations with 3,500 tractors to help the working peasants and the farm cooperative movement.

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Principal Objectives of the Five-Year Plan

The principal objectives of the Five-Year Plan are:

1. To speed up the development of Hungary's industry, and primarily that of the heavy and machine industries because the development of light industry, mechanization of agriculture, and modernization of transportation all depend on development of heavy and machine industries.
2. To eliminate backwardness and increase productivity in agriculture and to insure an adequate supply of food for the increasing population, and an adequate supply of raw materials for industry.
3. To insure an improved standard of living through industrialization and reorganization of agriculture.
4. To liquidate monopoly of the arts by the former ruling classes and to raise the cultural level of the working class and peasantry by training new worker and peasant leaders such as engineers, doctors, teachers, economists, labor leaders, officers, state officials, etc.
5. To eliminate gradually the differences between country and city through various social and economic measures.
6. To expand our national defense and military forces so as to join the Soviet Union, the people's democracies, and freedom-loving peoples of the world in the preservation of the peace.

The Five-Year Plan will result in making our country primarily industrial rather than agricultural, but with a modern agricultural system.

To achieve the objectives of the Five-Year Plan, about 35 billion forints will be invested in the economy during the plan period. About 17 billion forints will be allocated to industry, 6 billion to agriculture (to which must be added about 10 billion for the service industries directly connected with agriculture: transportation, health, culture, construction, and other allocations for the improvement of the rural areas), 6 billion to transportation, 3.5 billion for social and cultural improvements, and 2.5 billion for dwellings. Of the 35 billion forints, about 14 billion will be allocated for construction work.

These investments will insure a year-to-year increase of the national income, so that by 1954 it will be 160 percent of the 1949 figure. Industrial output will be increased by 40 percent, and the cost of production will be decreased by 20 percent.

By 1954, the value of industrial production, including mining and metallurgy, will be 80 percent above that of 1949. This represents 230 percent of the 1938 level. Agricultural production by 1954 will be increased 35 percent above the 1949 level. This represents 127 percent of the 1938 level.

Socialization Through Industrialization

During the Five-Year Plan the value of industrial, mining, and metallurgical production per year will increase from 18,700,000,000 forints to 34 billion forints. The tool industry will increase its share of annual industrial production from 48 percent to 53 percent during the 5 years. Annual production of steel will increase from 800,000 tons to 1,500,000 tons; of coal, from 11 million tons to 18 million tons; and of electrical power, from 2,200,000,000 kilowatt hours to 4,200,000,000 kilowatt hours. In 1954, 3½ times as many

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agricultural machines, 2½ times as many tractors, and twice as many trucks and buses will be produced as in 1949. Production in the machine-building industry will be doubled, and more than doubled in the chemical industry in the next 5 years.

Great strides in construction will be made possible by the production goals of the building materials industry. Within 5 years, annual cement production will increase from 400,000 tons to one million tons, and brick production will triple.

The annual production of consumer goods will also increase during the 5 years: food industry 50 percent, textile industry 56 percent, leather industry 65 percent, clothing industry 63 percent, paper and printing industry 50 percent, and wood industry 60 percent. The production of cotton cloth will increase from the 1949 level of 160 million meters to 240 million meters in 1954, woolen cloth from 25 million meters to 40 million meters, and shoes from 6 to 9 million pairs.

For the spreading of culture to the masses, newsprint production for books will be doubled, and roll-paper production will be increased 1½ times.

Among other things, one million bicycles, 85,000 motorcycles, 120,000 sewing machines, and 500,000 radios will be manufactured during the next 5 years.

Relative importance of branches of industry is seen from the following:

Of total industrial production, the output of the iron and machine industry, only 20 percent in 1938, will be 34 percent by 1954. Electric-power output will increase from the 1938 figure of 3.7 percent to 4.5 percent in 1954. The chemical industry's share of total production in 1938 was 9.8 percent; in 1954 it will be 14 percent.

Many new plants and factories will be constructed during the Five-Year Plan. The largest metallurgical center will be located at Mohacs, high-grade steel mills and railroad-car factories at Borsod, bridge and iron works at Ceepel, and a fertilizer plant at Bukkuzek. Five spinning-weaving mills, 12 ready-made-clothing factories, one electric-machinery plant; one agricultural-machinery factory; and six electric-power plants will be built at various other locations.

Such industrial products as combines, Diesel tractors, tractor plows and mowers, corn harvester machines, large railroad cranes, power shovels and road-building machinery, machine tools, textile machinery, etc., will be produced domestically instead of being imported. This rapid growth in industrial production will require the recruitment of a labor force of 300,000 industrial workers. In the iron and steel industry, 20 new plants will be built. These will require a force of 25,000 workers.

Industrially poor and backward agricultural areas beyond the Tisza, between the Danube and the Tisza, and beyond the Danube will get plants and factories. Szeged, Debrecen, Bodmezovasarhely, Békéscsaba, Szolnok, Kecskemét, Kaposvár, Zalaegerszeg, Esztergom, Kalocsa, Eger, Veszprém, Szombathely, and others will all become industrial cities. Near the industrial center of Greater Budapest, two new centers of heavy industry will be developed at Borsod and Pecs-Mohacs.

#### Modern Transportation System

By the end of the Five-Year Plan, the transportation system will carry one and one half times as much freight as in 1949. This will be accomplished by building new railroad lines, by modernizing and expanding existing lines,

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by increasing the number of locomotives and adding to our rolling stock, by building new highways and bridges, and by developing water transport and motor traffic.

Plans call for a new railroad line between Budapest and Mohacs, the electrification of the main line between Budapest and Mohacs, five new bridges across the Danube -- the Baja, the Budapest-Arpa, the Bonar, the Dunafoldvar, and the Ujpest bridges; four bridges across the Tisza, and a concrete highway between Budapest and Mohacs. A 2,500-kilometer stone-road network will be built, and 60 new bus routes will be established. As a result, many outlying cities will receive bus service. Six and one half kilometers of the new Budapest subway will be added to the main line. For the development of transportation in Budapest alone, 650 million forints will be allocated. Trolley-bus service will be established in Budapest and Miskolc.

Transportation facilities completed by 1954 will surpass the 1938 level by 65 percent.

#### Modernization of Rural Economy

To eliminate the backwardness of agriculture, crop production and cattle breeding will be increased considerably. The crop yield will increase by 27 percent during the 5-year period. This percentage will be attained by average crop increases of 80 percent on the state farms, 35 percent on the collective farms, and 11 percent on individual peasant farms. The average yield per cadastral yoke will be increased from 7 to 8.5 centners for wheat, from 100 centners to 130 centners for sugar beets and from 18 to 25 centners for alfalfa.

By the end of the Five-Year Plan, all agriculture will be supplied with improved sowing seed. Alkaline and acid soils will be improved, and 200 million forints will be allocated for the improvement of orchards, vineyards, and garden farms. New cultures will also be introduced. In this way, the cotton yield will almost meet the requirements of the textile industry.

Fertilizer will be used extensively to enrich the soil. The production of superphosphate will be quadrupled, and that of Pot fertilizer will be increased 3½ times. New irrigation works will be constructed and existing ones expanded, so that within 5 years, 200,000 cadastral yokes will be irrigated, of which 125,000 cadastral yokes will lie beyond the Tisza, and 40,000 between the Tisza and the Danube. For this purpose, 620 million forints will be allocated. Alkaline and sandy soils are to be forested. About 250 million forints will be allocated for flood and river control.

Cattle will be increased from the 1938 level of 1,882,000 head to 2,400,000 in 1954. Of these, cows will be increased from 917,000 head to 1,270,000 head. Hogs will be increased from 5,200,000 to 6 million and fowls will be doubled. On the whole, meat, lard, milk, and egg production during the 5 years will increase by 50 percent. To insure the increased yield of animal products, the number of cadastral yokes set aside for fodder production will be increased from one million to 1,400,000 cadastral yokes. Irrigation of pasture land will also be increased to provide for livestock development. More than 30 million forints will be allocated for the improvement of brood animals, most of which will be imported, and 100 million forints will be invested in improving the health of the livestock.

The use of modern agricultural equipment for working the soil is the most decisive factor in raising the agricultural production. During the 5-year period, 3 billion forints will be invested in agricultural machinery. By the end of 5 years, the state will have 24,000 new tractors, 4,000 new threshing machines and 14,000 new combines, in addition to 260,000 pieces of smaller agricultural machinery. By 1954, 6 million cadastral yokes, or

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to 22 kilograms, cotton goods 14 to 22.5 meters, woolen goods 1.3 to 2.0 meters, and shoes 0.6 to 1.0 pair. The housing shortage will ease with 65,000 new dwellings to be built during the next 5 years. Workers will get vacations at state expense. The number of vacationists per year from the ranks of the workers will increase from the present level of 300,000 to 500,000. Unemployment will be eliminated and the working class will never again be threatened by unemployment.

#### Health

Under the Five-Year Plan, the health of the worker and his family will be safeguarded through one billion forints to be allocated for building new hospitals and sanitariums, and for the expansion of existing health institutions.

With the addition of 9,000 new hospital beds, the 1938 level will be surpassed by 10 percent. At present, there are 2.4 beds per 10,000 obstetrical cases, and by 1954 there will be 3.8 beds. Maternity wards will be built in nine provincial towns. New medical consultation rooms will be built to increase their number from 200 to 480 rooms. With the establishment of 360 day nurseries and 250 public nurseries, our institutions will be able to care for 20,000 children and 10,000 infants.

#### Culture

In the course of the Five-Year Plan, 2.5 billion forints will be allocated for cultural development. Each school-age child will be required to complete the eighth grade. The number of peasants attending the middle and upper schools will be greatly increased, and 100,000 new specialists will be trained in politics, economics, and culture.

With the establishment of 2,000 new elementary schoolrooms, the number of elementary classrooms will be raised to 22,700 or an increase of 10 percent. Educational standards will be raised, 4,000 elementary schools will receive chemistry and physics laboratories, 3,000 schools will get radios, 1,000 will get workshops, and 1,000 will receive domestic-science laboratories.

The number of students in heavy industry will increase from 14,000 to 44,000. The Three-Year Plan had already started the reforms of the secondary schools, and the Five-Year Plan will complete it. New secondary schools will be built in the industrial districts of Diosgyor, Ozd, Csepel, Pecsbanysatlep, Salgotarjan, Mohacs, and Dorog, and in Budapest at Angyalfold and Obuda.

Housing will be provided for 38,000 students, composed mainly of workers and peasants. During the next 5 years, 10,000 new teachers will be trained and four new teachers' colleges will be built. Universities will receive modern equipment, and many new university buildings will be constructed. There will be an allocation of 250 million forints for the development and new construction of scientific research institutes. Among the new constructions will be the new Central Physics Institute, the Organic and Inorganic Chemistry Institute, the Agricultural Machinery Institute, the Agrochemical and Agrobiological Institute, the Forestry Institute, and the Economics Institute. A new university for heavy industry will be built and, together with existing universities, will provide the economy with 1,600 engineers annually.

A new national theater which will become the center of Hungarian culture will be built. The number of books published will be increased, and their cost lowered. The sports program will be developed to the greatest possible extent, with emphasis on the youth of the country. The National Stadium at Budapest will be expanded to a seating capacity of 70,000 at a cost of 30 million forints. The 1.0 million forints spent annually at present for athletic

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purposes will be increased to 240 million, not including investments.

Conclusions

For the realization of the Five-Year Plan it is absolutely essential that:

1. The strictest economy be practiced, and that every tool be employed for the execution of Plan objectives;
2. The mass of workers, laborers, peasants, and intellectuals put forth their best efforts;
3. The worker-peasant character of the state be developed and strengthened, and that the republic be made into a people's republic;
4. The nation's patriots join the Függetlenségi Népfront (Independent People's Front), and that the working class, the Communists, and the Magyar Dolgozók Pártja (Hungarian Workers' Party) be resolved to combat the reactionary elements, etc.;
5. Cooperation with the USSR be maintained to safeguard the peace against the imperialists.

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